



12TH ANNUAL REPORT
2000-2001

CASIL HEALTH PRODUCTS LTD.

BOARD OF DIRECTORS	SHRI INDRAVADAN A. MODI SMT SHILABEN I. MODI DR. RAMESH M. SHAH SHRI KANISHKA H. KAJI SHRI M. G. SHAH SHRI G. SATHASIVAM SMT. MONIKA GARWARE MODI DR. RAJIV I. MODI - MANAGING DIRECTOR
COMPANY SECRETARY	VIPUL BHEDA
AUDITORS	MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS AHMEDABAD
BANKERS	BANK OF BARODA
REGISTERED OFFICE	"IRM HOUSE", OFF C. G. ROAD, NAVRANGPURA, AHMEDABAD-380 009.
WORKS	1. SURVEY NO. 342, NANI KADI, TAL. KADI, DIST. MEHSANA. 2. 505 - 1 & 2, GIDC, HALOL, DIST. PANCHMAHAL

CASIL HEALTH PRODUCTS LIMITED



NOTICE

NOTICE is hereby given **THAT** the Twelfth Annual General Meeting of the Members of the Company will be held on **Tuesday, the 25th day of September, 2001 at 10.00 A. M. at Shri A. H. Memorial Hall, Gujarat Chamber of Commerce & Industry, Near Natraj Cinema, Ashram Road, AHMEDABAD 380 009** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2001 and the Balance Sheet as at that date, together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Smt. Shilaben I. Modi, who retires by rotation and being eligible has offered herself for re-appointment.
3. To appoint a Director in place of Smt. Monika Garware Modi, who retires by rotation and being eligible has offered herself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (d) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), read with the Memorandum and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board to borrow, from time to time, any sum or sums of money which together with monies already borrowed by the Company (apart from the temporary loans and working capital facilities from the Bankers to the Company in ordinary course of business) may exceed aggregate of the paid-up share capital and free reserves of the Company, that is to say, the reserves which are not set apart for the specific purposes, provided that the maximum amount shall not, at any point of time, exceed the limit of Rs. 60 Crore (Rupees Sixty Crore only)."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the Board to charge, encumber, sell, lease or otherwise dispose off the whole or substantially the whole of any of the undertakings of the Company."

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE TIME OF THE MEETING.
2. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, in relation to the item Nos.5 & 6 of the Special Business is appended herewith as per the 'Annexure' and forms part of the Notice.
3. Members are requested to notify immediately, change in their addresses, if any, at the Registered Office of the Company.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 11th September, 2001 to Tuesday, the 25th September, 2001 (both days inclusive).
5. Shareholders intending to require any information to be explained at the Meeting are requested to inform the Company at least 7 days in advance in order to enable the Company to make available the said information with the permission of the Chairman of the Meeting.
6. Members are requested to bring their copies of the Annual Report with them to the Annual General Meeting.

By Order of the Board

For CASIL HEALTH PRODUCTS LIMITED

DATE : 17th July, 2001

REGISTERED OFFICE:

"IRM HOUSE",
OFF C.G. ROAD,
NAVRANGPURA,
AHMEDABAD 380 009.

Vipul Bheda

Company Secretary

CASIL HEALTH PRODUCTS LIMITED

ANNEXURE

Explanatory Statement

Pursuant to the provisions of Section 173 (2) of the Companies Act, 1956, the following explanatory statement sets out all material facts for the Ordinary Resolutions under Item Nos. 5 & 6 of the Special Business of the Notice dated 17th July, 2001 and forms part of the same :

Item Nos. 5 & 6 :

These items relate to the authority to the Board of Directors of the Company to borrow in excess of paid-up share capital and free reserves of the Company and to sell, lease or otherwise dispose off the whole or substantially the whole of any of the undertakings of the Company.

Your Company is in the transitional stage. Your Directors feel that in order to improve the performance of the Company, some investment may have to be made. This may require the Company to borrow fund in excess of its paid-up capital and free reserves. Pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956, Board of Directors of a company can borrow in excess of the paid-up capital and free reserves of the company with consent of the shareholders. Accordingly, a resolution under item No. 5 is submitted for your approval.

Your Directors are of the view that in order to implement the above borrowing plan, the assets of the Company will have to be charged in favour of the lenders from time to time. Pursuant to the provisions of Section 293 (1) (a) of the Companies Act, 1956, Board of Directors of a company can charge, encumber, sell, lease or otherwise dispose off the whole or substantially the whole of any of the undertakings of the company, with consent of the shareholders. Accordingly, a resolution under item No. 6 is also submitted for your approval.

None of the Directors of the Company is, in any way, concerned with or interested in the said resolutions. Your Directors recommend the same for your approval.

By Order of the Board

For CASIL HEALTH PRODUCTS LIMITED

DATE : 17th July, 2001

PLACE : AHMEDABAD

Vipul Bheda

Company Secretary



DIRECTORS' REPORT

To,
The Shareholders
CASIL HEALTH PRODUCTS LIMITED

Your Directors are pleased to present the Twelfth Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS:

(Rs. in lacs)

Particulars	For the year ended 31.03.2001	For the year ended 31.03.2000
Sales and Other Income	2,279.38	1,958.00
Operating Profit	167.26	193.96
Deduct: Interest & Financial charges	109.14	102.35
Depreciation	79.53	77.37
Misc. Expenses written off	9.89	13.19
Operating Profit/(Loss) for the year	(31.30)	1.05
Prior period Adjustments	(8.31)	(9.73)
(Loss) due to the Extra-Ordinary item	(107.93)	0.00
Net Profit / (Loss) for the Year	(147.54)	(8.68)

DIVIDEND :

In view of the adverse financial position of the Company, your Directors do not recommend any dividend for the year under review.

OPERATIONAL REVIEW :

During the year under review, the Company has achieved a total turnover of Rs. 2,279.37 Lacs (Previous Year Rs 1,958.00 Lacs), representing approximately 16% increase as compared to the previous year. During the year under review your Company has incurred a loss of Rs.147.54 Lacs (Previous Year loss of Rs. 8.68 Lacs). The increase in loss is due to lower off take of Sulfolane, a technology based product, which has a better contribution as far as the profitability of the Company is concerned, which had contributed a lot in the last year. Moreover, during the year under review, your Company has retired some of the assets of Disposable Needles and Syringe Plant at Kadi from the active use and held for disposal of the same. This has contributed a loss of Rs.107.93 Lacs which is purely of extra-ordinary in the nature. Your Company has incurred a net operating loss of Rs. 31.30 Lacs for the year under review.

CASIL HEALTH PRODUCTS LIMITED**DIRECTORS:**

Smt. Shilaben I. Modi and Smt. Monika Garware Modi, Directors of the Company retire by rotation and being eligible, they have offered themselves for re-appointment. The relevant proposals in this regard are submitted for your approval. Your Directors recommend the same for your approval.

AUDITORS :

M/s. Mukesh M. Shah & Company, Chartered Accountants, Ahmedabad, the Auditors of the Company, hold office till conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956. Accordingly, they may be appointed as the Statutory Auditors of the Company at the ensuing Annual General Meeting.

INSURANCE :

All the properties of the Company have been adequately insured.

FIXED DEPOSITS:

During the year under review, the Company has not invited any deposit from the public.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is given in the "Annexure A" and forms part of this report.

PARTICULARS OF EMPLOYEES:

Particulars of the employees as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, form part of this report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and the Annual Accounts of your Company are sent to its shareholders excluding the Statement of Particulars of Employees.

Any shareholder interested in obtaining a copy of this statement is welcome to communicate to the Secretary of your Company.

CORPORATE GOVERNANCE (Limited Disclosures) :

Pursuant to the Clause 49 of the Standard Listing Agreement read with Section 292A of the Companies Act, 1956, the requirements of the Corporate Governance have to be complied with by the Company within the financial year 2001 – 2002, but not later than 31.03.2002. Still your Directors have willingly volunteered to comply with the same to the maximum extent possible. Accordingly, a statement on the Corporate Governance is appended herewith as per the "Annexure B" and forms part of this report.

RESPONSIBILITY STATEMENT :

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956 :

- i. that in preparation of the Annual Accounts for the year ended 31st March, 2001, the applicable accounting standards have been followed along with proper explanations in case of material departures,



- ii. that such accounting policies as mentioned in Schedule 19 to the Annual Accounts have been applied consistently and judgments and estimates those are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ending 31st March, 2001 and of the loss of the Company for that period,
- iii. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safe-guarding assets of the Company and for preventing and detecting fraud and other irregularities,
- iv. that the Annual Accounts of the Company for the year ended 31st March, 2001 have been prepared on a going concern basis.

ITEMS OF REVIEW BY THE AUDIT COMMITTEE OF DIRECTORS :

The Board has appointed an Audit Committee comprising of Shri K. H. Kaji, Dr. R. M. Shah and Dr. Rajiv I. Modi, Directors of the Company. The following are the main items of review by the said Audit Committee of Directors of the Company :

- ☐ Financial reporting process
- ☐ Draft audited annual financial statements and auditors' report (before submission to the Board)
- ☐ Accounting policies and practices
- ☐ Internal controls and audit systems
- ☐ Risk management policies and practices
- ☐ Related party transactions
- ☐ Internal audit reports and adequacy of internal audit function

COMPANY'S WEB SITE :

In order to keep pace with the up-to-date business needs, your Company has successfully launched a Web-site namely <www.casilhealth.com>

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their sincere thanks to the financial institutions, banks and the State and Central Government, suppliers, stockists, doctors and all categories of the consumers of the Company for their co-operation and assistance. They also record their appreciation of the contributions made by employees at all levels to the operations of the Company during the year under review. Last but not the least, your Directors wish to place on record their gratitude to the shareholders for evincing continued interest in the progress of the Company.

FOR & ON BEHALF OF THE BOARD
For **CASIL HEALTH PRODUCTS LIMITED**

DATE : 17TH JULY, 2001
PLACE : AHMEDABAD

(I. A. MODI)
CHAIRMAN

SANSKO HEALTH PRODUCTS LIMITED

"ANNEXURE-A"**FORM - A****(See Rule 2)****Form of disclosure of particulars with respect to the conservation of energy****(A) POWER AND FUEL CONSUMPTION :**

	For the year ended 31.03.2001	For the year ended 31.03.2000
1. Electricity :		
(a) Purchased		
Units	17,04,024	16,04,458
Total Amount (Rs. in Lacs)	82.04	76.03
Rate per Unit (Rs.)	4.81	4.74
(b) Own Generation		
(i) Through D. G. :		
Units	5,09,341	5,30,945
Units/Litre of Diesel Oil	2.06	2.04
Cost/Unit (Rs.)	8.05	6.67
(ii) Through Steam Turbine Gen.		
Units	—	—
Units/Litre of Fuel Oil/Gas	—	—
Cost/Unit (Rs.)	—	—
2. Coal		
Quantity (Tonnes)	—	—
Total Amount (Rs. in Lacs)	—	—
Average Rate (Rs./Ton)	—	—
3. Furnace Oil		
Quantity (Litres)	2,05,625	1,20,050
Total Amount (Rs. in Lacs)	24.62	11.26
Average Rate (Rs./Litre)	11.97	9.38
4. Others/Internal Generation		
(a) HSD		
Quantity (Litres)	46,220	35,185
Total Cost (Rs. in Lacs)	7.63	4.79
Rate/Unit	16.51	13.61
(b) LDO		
Quantity (Litres)	2,47,253	2,60,267
Total Cost (Rs. in Lacs)	38.79	30.21
Rate/Unit	15.69	11.61

**(B) CONSUMPTION PER UNIT OF PRODUCTION :**

Your Company manufactures various products like Hospital Disposables, Adhesive Tapes, Plaster of Paris Bandages, Soft Gelatin Capsules, Speciality Chemicals, Gloves, etc., with different sizes. It is, therefore, impractical to apportion the consumption and cost of utilities of each such product.

FORM - B
(See Rule 2)

TECHNOLOGY ABSORPTION :

Efforts made in technology absorption as per Form-B are as detailed below :

- | | | |
|---------------------------------------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Specific areas in which R&D was carried out by the Company | : | <input type="checkbox"/> Quality improvement
<input type="checkbox"/> Development of new products for export market
<input type="checkbox"/> Import Substitution |
| 2. Benefits derived as a result of above R&D | : | <input type="checkbox"/> Minimisation of rejection/waste
<input type="checkbox"/> Improvement in production quality and quantity |
| 3. Future plan of action | : | To take on hand further product development and also technology upgradation |
| 4. Expenditure on R&D | : | a). Capital : Rs. Nil
b). Recurring : Rs. 2.67 Lacs
c). Total : Rs. 2.67 Lacs
d). Total R&D expense as a percentage of total turnover : 0.12 % |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

- | | | |
|-----------------------------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Efforts in brief made towards technology absorption, adaptation and innovation | : | All the technology adopted by the Company have been developed in-house and therefore, it was easier for the Company to absorb and adapt the same. The efforts are still made to improve the technology so absorbed and adapted by constant ongoing research and experimentation. |
| 2. Benefits derived as a result of above efforts : | : | (1) Cost Reduction
(2) Import Substitution
(3) Product Improvement |